

Accenture's \$3B investment in AI signals a shift in big business

Article

The news: Consulting giant **Accenture** is investing **\$3 billion** on AI technology in the next three years, indicating a more competitive adoption of emerging technology in the business consulting space.

Why it matters: Accenture, which over-hired and increased its workforce by 38,000 in 2022 to serve surging demand, recently **cut 9,000 jobs, or 2.5% of its workforce**, in efforts to adjust to a weakened economy.

- Accenture now plans to **double its AI-focused workforce to 80,000 through a mix of hiring, acquisitions, and training.**
- It also plans to use generative AI more for its client work and advocate for its customers to increase the use of the technology.
- The company is launching an **AI Navigator for Enterprise** platform to help guide AI strategy, use cases, decision-making, and policy.
- “The substantial investment we are making in our Data & AI practice will help our clients move from interest to action to value, and in a responsible way with clear business cases,” said **Julie Sweet**, Accenture chair and CEO.

No stranger to AI: Accenture has decade-long investments in AI and holds 1,450 patents for AI-related applications in marketing, retail, security, and manufacturing.

An industry in flux: Other consulting firms have similarly heeded the call to an AI shift, mostly to remain competitive and relevant in the face of AI’s potential to disrupt multiple industries.

PitchBook expects generative AI investments to hit \$42.6 billion by the end of the year.

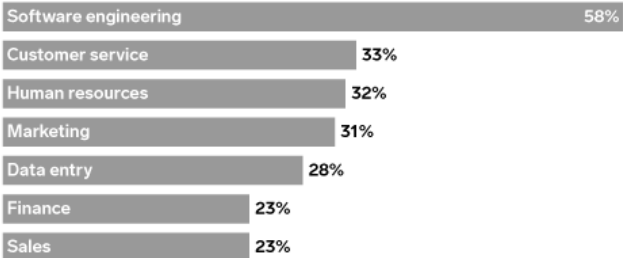
- **PricewaterhouseCoopers (PWC)** announced in April it was going to invest **\$1 billion** in AI over the next three years.
- **Deloitte** forged partnerships with chip maker **Nvidia** and **IBM** to offer a suite of AI service offerings.
- **EY** has earmarked **\$2.5 billion** over the next three years for an AI expansion in its tools and services.
- **Bain & Company** announced a partnership with **ChatGPT**-maker **OpenAI** in February to provide solutions for its clients, with the **Coca-Cola Company** as the first beneficiary of the collaboration.

Our take: Despite the sweeping enthusiasm for AI, consulting giants are still coming to terms with what the technology implies for their businesses in the long term.

Technology can't replace the critical role of management consulting in addressing the human component, which is often the greatest hurdle in integrating new technologies into enterprise.

Business Areas in Which US Business Leaders Are Looking to Hire Workers With ChatGPT Experience, April 2023

% of respondents



Note: n=1,000
Source: Resume Builder as cited in company blog, April 17, 2023

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